

CLEVELAND PUBLIC LIBRARY
BUSINESS M.F. BUR.
CORPORATION FILE



BANCOHIO CORPORATION 1966 ANNUAL REPORT

Highlights of the Year

	1966	1965
FOR THE YEAR		
Net Operating Income	\$ 10,065,156	\$ 8,405,287
Per Share	2.44	2.07
Cash Dividends	3,054,187	2,695,928
Per Share	.74	.66
Stock Dividend	4%	—
AT THE YEAR END		
Total Assets	\$1,108,552,246	\$1,012,383,446
Deposits	969,744,704	896,935,314
Loans, Less Reserves	576,754,068	509,284,216
Capital Funds	83,030,518	77,208,657
Book Value Per Share	20.13	18.72

All per share amounts have been adjusted to reflect the 3 for 1 stock split effective January 14, 1966 and the 4% stock dividend distributed in November 1966.

To Our Shareholders

The opposite page of this report to the shareholders records in a concise summary, a finality of the various financial statistics reflecting basic results of BancOhio operations in 1966 and a comparison with the record in 1965—succeeding pages present details of important categories of your banks' activities in the year. Net operating earnings were at an all time peak, as were total assets and total deposits, in the year end reports. Similarly, dividends paid to shareholders in 1966 were the largest in the history of the Corporation.

For those shareholders who may be interested in an account of significant financial and economic circumstances existing in the year, a brief review of important developments and basic factors affecting 1966 banking operations in general, and BancOhio banks in particular, should be presented.

Unprecedented loan demands were an inevitable consequence of the nation's burgeoning production and consumption of consumer and capital goods, and financing for the production of materials needed for the Vietnam commitment. Added to this were credit pressures to supply the funds sought to finance major public projects for federal, state and local governments and the financial drain on our central bank reserves in respect of settlements in our balances of international payments and foreign aid commitments. The pressures on the banking system, federal and private, to accommodate and adjust to these circumstances were extreme. Some of the major banks in the country were forced to liquidate substantial portions of their investment securities, in a reluctant market, in order to provide funds to meet their customers' loan requirements.

However, with minor exceptions, the BancOhio banks had the intrinsic liquidity and growth in deposits, sufficient to service their customers' credit needs without resort to liquidation of investment securities. Hence, for the BancOhio banks, sales and purchases of securities were predominantly for longer term investment policy purposes, and not for short term necessitous expedients—losses sustained in these transactions are expected to be counterbalanced in the future by increased income and capital gains.

Competition for the corporate, public and private deposit dollars was intense between banks. The banking system was also faced with the competition of the relatively more attractive interest rates available to bank customers from investments in various short term investment media—expansion of time deposits was attained only by payment of the highest interest costs in forty years. Even so, regulatory ceilings on permissible interest rates handicapped many banks seeking funds to loan to those customers who previously had been assured of the availability of ample credit accommodation.

While the BancOhio banks faced the full impact of these competitive rate factors, they none-the-less as a group achieved an 8.1% increase in deposits.

In recent weeks the trend has been toward lower interest rates as a result of present economic forecasts and events which have occurred, including actions of the monetary authorities and the federal government. However, demand for loans is expected to continue strong unless an unexpected decline in business activity develops, and while current policy of the monetary authorities indicates that adequate reserves will be supplied to the banking system for anticipated credit demands, there may be little moderation in the competitive atmosphere and bank costs in the acquisition of reserves and deposits to meet this demand.

In concluding this preface to the detailed report, it may be appropriate to paraphrase a portion of our recent communication to the chief executive officers of the affiliated banks:

"We invite an increase in your initiative and leadership in plans, ideas and suggestions as to all that may promote the growth and net profit of your organization, to the end that your bank will continue to augment its capital structure, thereby providing a base for enlarged community services, that adequate revenues be generated to finance appropriate compensation to the staff, and that a commensurate return be paid in dividends to the shareholders."

The new year will bring many challenges, many problems, but should also bring profitable opportunities, if we recognize them and give them our energetic attention. It is with confidence in the capabilities of the BancOhio banks' officers and directors that we look toward the future, and to an even closer liaison of the relationships between the banks and the Corporation's directors and staff, who pledge their best efforts in counseling and services to the BancOhio banks."

January 20, 1967

DERROL R. JOHNSON
President

Financial Review

Earnings

Consolidated net operating income of the Corporation and affiliated banks attained a record high of \$10,065,156 in 1966, which was an increase of \$1,659,869 over the \$8,405,287 earned in 1965. Per share earnings, based upon the average number of shares outstanding in each year, were \$2.44 for 1966 compared to \$2.07 for 1965, an increase of 17.9 per cent.

Consolidated operating income increased 16.4 per cent to \$47,919,361 in 1966 compared to \$41,155,098 in 1965. Expansion of the loan account combined with the firming of lending rates provided an increase of \$5,010,936 in loan income. Moderate growth of the investment account along with the advantage of higher earning rates resulted in an increase in investment income of \$1,336,819. These accounts produced 74 per cent and 20 per cent, respectively, of the gain in operating income and all other sources provided 6 per cent. Consolidated operating expenses in 1966 were \$33,503,809, an increase of 16.7 per cent from the \$28,721,453 recorded in 1965. The increase in operating expenses resulted primarily from the interest cost on time deposits being \$3,405,216 greater than for the previous year; all other expenses were \$1,377,140 greater than in 1965. Thus, 29.4 per cent of operating income was required to cover interest on deposits in 1966 against 26.0 per cent in 1965; 40.5 per cent of operating income was required to cover all other expenses in 1966 against 43.8 per cent in 1965.

Provision for income taxes on operating income was \$4,203,869 in 1966, a moderate increase over the \$3,918,510 provided in 1965. Employment of assets by the affiliated banks was directed toward producing maximum net operating earnings, particularly through increased holdings of tax exempt bonds and by altering the composition of invested assets to obtain greater earning rates without sacrifice of quality. Thus, after all expenses and taxes, net operating income in 1966 was a greater percentage of gross operating income than in 1965.

Dividends

The cash dividend rate of 19¢ per share paid in the first three quarters of the year was increased to 20¢ per share in the fourth quarter, providing total dividends of \$3,054,187 or 77¢ per share for 1966 compared to \$2,695,928 or 69¢ per share in 1965. This represents an increase of 11.6 per cent over the preceding year.

In addition, a 4 per cent stock dividend was distributed to shareholders of record on November 26, 1966, consequently the adjusted cash dividend rate per share was 74¢ for 1966 and 66¢ in 1965. The combination of the stock dividend and the current cash dividend rate of 20¢ per quarter indicates an annual rate for the first quarter of 1967 approximately 9.5 per cent greater than the rate for the comparable period in 1966.

The cash dividends declared by your Corporation were increased in each of the last ten years and when expressed on a per share basis, adjusted for all stock dividends and the three for one split effected during this period, the 1966 rate of 74¢ is 105 per cent higher than the 1957 rate of 36¢ per share. The consolidated ten year financial summary presented on pages 10 and 11 of this report reflects the growth in operational performance of the Corporation and affiliated banks and the increase in cash dividends paid in the last decade.

Capital Funds

Capital funds totaled \$83,030,518 or \$20.13 per share at December 31, 1966 compared to \$77,208,657 and \$18.72 per share at the end of the previous year. The increase in book value of \$1.41 per share during 1966 exceeded the increase of \$1.32 recorded in 1965. To place this increase in the proper perspective, it should be noted that cash dividends paid during the current year were \$358,259 or 8¢ per share greater than in the preceding year.

In addition, reserves for possible future loan losses increased 46¢ per share in 1966 as against 35¢ in 1965 and aggregated \$12,134,426 at the end of the current year. Since all known loan losses are consistently charged off as recognized, it is proper to consider such reserves to be available for employment in the normal course of business although a tax liability would be incurred on \$11,107,995 of the total if they were returned to the capital funds of the banks. Capital, surplus and loan reserves now equal \$23.07 per share, up from \$21.20 at the end of 1965.

On January 14, 1966, 2,643,814 shares of BancOhio capital stock were issued to effect a three for one stock split as approved by the shareholders. A stock dividend of 4 per cent equal to 158,676 shares was distributed to shareholders of record on November 26, 1966; 1,200 other shares were issued during the year for the purpose of acquiring additional shares of stock of a subsidiary bank from minority shareholders.

Investments

At December 31, 1966, the consolidated investment accounts of the Corporation and affiliated banks amounted to \$351,895,765. The accounts consist of U.S. Treasury securities, state and municipal securities, and other securities, principally obligations of various federal agencies. Changes in the accounts during the year involved a shift from U.S. Treasury securities into federal agency obligations to obtain the advantage of greater income yields, and the placement of additional investment funds in state and municipal bonds to obtain the benefit of tax exempt income. Along with these changes, the banks continued to carry a strong secondary reserve position in short term readily marketable securities.

During the year, sales of securities for the purpose of adjusting the book value of the account closer to current market value resulted in a net loss of \$454,596 after tax adjustment, and this net loss was charged to valuation reserves. After deducting this charge, bond valuation reserves totaled \$1,651,486 at the year end.

Investment income for the year was \$12,846,157, which was an increase of \$1,336,819 over the \$11,509,338 earned in 1965. The gain in tax exempt income of \$1,213,239 was over 90 per cent of the total gain in investment income and was a major factor in the increase of net operating income for the year.

Loans

In 1966 the affiliated banks again experienced increased demand from borrowers which resulted in record loan totals at the end of the year. Commercial loans to industry and for personal enterprise totaled \$232,920,824 compared to \$194,604,708 at the end of the previous year. Although tight money conditions were prevalent throughout most of the current year, the affiliated banks remained active in mortgage lending with a resultant \$13,482,448 increase to a total of \$163,525,210 for notes secured by mortgages on real estate at December 31st. Although the rate of growth in mortgage loans declined from the previous year it is significant to note that the affiliated banks did supply a substantial amount of funds to this important segment of economic activity in their respective market areas. Reflecting the affiliated banks' early interest in financing the acquisition of consumer products by individuals and the service rendered by our

BancPlan staff over the years, installment loans, net of repayments, amounted to \$122,360,432 compared to \$112,562,525 at the end of 1965, notwithstanding increased competition from commercial banks and other lending institutions.

Deposits

Deposits of the affiliated banks were \$969,744,704 at December 31, 1966. The total represents an increase of \$72,809,390 for the year which resulted from an increase in time deposits of \$83,964,228 and a decrease in demand deposits of \$11,154,838. The high rates of interest paid on time deposits by the affiliated banks accounted for the relatively steady growth of these deposits throughout the year. The greatest reduction in demand deposits occurred in the first half of the year as there was evidence of conversion of these deposits to time deposits. However, growth during the last half of the year indicates the resumption of a satisfactory trend for demand deposits.

Capital Expenditures

As in prior years, physical facilities were expanded substantially in 1966. Additional banking offices were opened as follows—The Central Grandview Office of The First National Bank of Delaware, its fourth office; the Plaza Office of The Hocking Valley National Bank of Lancaster located in the Memorial Drive Shopping Center in the city; an Auto-Bank and related facility for The Knox County Savings Bank in Mount Vernon. The Lancaster Bank also modernized and redecorated its Main Office and The First National Bank of Marysville moved into a new bank building offering drive-in service and ample parking for customers. The First National Bank of Springfield and The Ohio National Bank of Columbus continued existing programs of improving midtown office buildings. Including the purchase of land for future office locations and added parking areas for customer convenience, capital expenditures exceeded \$1,200,000 in the current year. This continuing program of expansion and modernization is designed to equip the affiliated banks of your Corporation with the physical facilities needed to serve their customers in the growing economic environment of the Central Ohio trade area in an efficient and convenient manner.

Personnel

As with any service oriented industry and especially in banking, the strength of an organization stems from its personnel and leadership. The Corporation and affiliated banks have a continuing policy of obtaining and developing responsible members for their management staffs. At the end of the year there were 2,157 employees, including 256 officers.

Benefits provided to employees by the Corporation and affiliated banks consist of hospitalization coverage, group life insurance, and retirement pensions. In 1966 the Corporation and affiliated banks made payments to the Pension Trust of \$810,500 which were included in operating expenses. During the year, hospitalization coverage payments were provided for over 300 persons, and retirement benefits were paid to 88 retired employees and 12 survivors of deceased employees.

Of equal importance in the conduct of banking operations, is the counsel of the 203 directors, other than bank officers, who through their familiarity with local conditions and knowledge of diversified business operations aid the affiliated banks in meeting the needs of their respective communities.

BancOhio
Corporation
and
Affiliated
Banks

**CONSOLIDATED
BALANCE
SHEET**

	December 31,	
	1966	1965
ASSETS		
Cash and due from banks	\$ 166,476,329	\$ 160,458,790
Securities, at amortized cost		
U. S. Treasury securities, less		
\$1,651,486 reserve (1965 -		
\$2,106,082)	124,590,011	134,460,566
State and municipal bonds	188,626,050	166,042,404
Other bonds and securities	38,679,704	29,039,519
Stock in Federal Reserve Bank	1,915,500	1,829,100
Loans, less \$12,134,426 reserves		
(1965 - \$10,237,275)	576,754,068	509,284,216
Banking premises and equipment, less		
depreciation	11,130,906	10,733,388
Other assets	379,678	535,463
	<u>\$1,108,552,246</u>	<u>\$1,012,383,446</u>

LIABILITIES

Demand deposits	\$ 491,918,932	\$ 503,073,770
Time deposits	477,825,772	393,861,544
Total deposits	969,744,704	896,935,314
Federal Reserve Bank deferred credits	17,993,386	8,268,540
Unearned income	16,300,916	14,745,723
Other liabilities	20,325,428	14,149,207
Minority interest in affiliated banks	1,157,294	1,076,005
Capital and surplus:		
Capital stock - (Note)	27,503,980	26,438,140
Surplus	55,526,538	50,770,517
Total capital and surplus	83,030,518	77,208,657
	<u>\$1,108,552,246</u>	<u>\$1,012,383,446</u>

Note: In January 1966 authorized shares were increased from 1,600,000 to 4,800,000, par value per share reduced from \$20 to \$6.66-2/3 and the outstanding stock split 3 for 1. In November 1966 a 4% stock dividend was declared. After adjustment for the stock split and stock dividend outstanding shares totaled 4,124,349 at January 1, 1966 and 4,125,597 at December 31, 1966.

BancOhio
Corporation
and
Affiliated
Banks

**CONSOLIDATED
STATEMENT
OF INCOME
AND
SURPLUS**

	Year ended December 31,	
	1966	1965
Operating income:		
Interest on loans	\$30,107,317	\$25,096,381
Interest and dividends on securities	12,846,157	11,509,338
Service charges on deposit accounts	2,753,190	2,538,721
Other operating income	2,212,697	2,010,658
	<u>47,919,361</u>	<u>41,155,098</u>
Operating expenses:		
Interest on deposits	14,110,179	10,704,963
Salaries and retirement benefits	11,196,144	10,717,194
Depreciation	822,403	759,500
Taxes, other than income taxes	1,910,007	1,598,942
Other operating expenses	5,465,076	4,940,854
	<u>33,503,809</u>	<u>28,721,453</u>
Operating income less operating expenses	14,415,552	12,433,645
Provision for income taxes on operating income	4,203,869	3,918,510
Net operating income	<u>10,211,683</u>	<u>8,515,135</u>
Minority interest in net operating income	146,527	109,848
Consolidated net operating income	<u>10,065,156</u>	<u>8,405,287</u>
Additions or (deductions) after related taxes:		
Net gain or (loss) on security sales - losses of \$454,596 in 1966 and \$466,738 in 1965 on sales of U. S. Treasury securities were charged to reserve for market depreciation	(31,712)	2,847
Transfers to reserves for possible future loan losses	(1,200,644)	(861,574)
Other items	(12,886)	37,197
Consolidated net income	<u>8,819,914</u>	<u>7,583,757</u>
Dividends declared:		
Stock dividend - 158,676 shares at \$28.85 a share, approximate market value at date of declaration	4,577,803	
Less - excess of market value over par value	<u>3,519,963</u>	
Amount transferred to capital stock account	1,057,840	
Cash dividends - \$.74 a share in 1966 and \$.66 in 1965	<u>3,054,187</u>	<u>2,695,928</u>
	<u>4,112,027</u>	<u>2,695,928</u>
Excess of Corporation's share of equity in net assets of new banks acquired over par value of BancOhio capital stock issued therefor		1,266,374
Excess of minority interests' share of equity in net assets of subsidiary bank over par value of BancOhio capital stock issued therefor	23,202	
Adjustments for other changes in minority interests in subsidiary banks	24,932	38,778
Consolidated surplus at beginning of year	<u>50,770,517</u>	<u>44,577,536</u>
Consolidated surplus at end of year	<u>\$55,526,538</u>	<u>\$50,770,517</u>

*BancOhio
Corporation
(Parent
company
only)*

**BALANCE
SHEET**

	December 31,	
	1966	1965
ASSETS		
Deposit in subsidiary bank	\$ 130,208	\$ 226,261
U. S. Treasury and federal agency securities, at amortized cost (approximate market)	2,400,146	1,995,572
Receivable from wholly-owned real estate subsidiary	165,000	175,000
Loans to directors of subsidiary banks	296,018	296,203
Investments in shares of subsidiary banks (acquired for BancOhio capital stock and cash) stated on basis of equity in net assets of the banks at December 31, 1966 as shown by accounts submitted by responsible officials of the respective subsidiaries and in published statements	80,055,051	74,536,338
Other assets	32,069	10,145
	<u>\$83,078,492</u>	<u>\$77,239,519</u>
LIABILITIES		
Accrued liabilities	\$ 47,974	\$ 30,862
Capital stock - (Note)	27,503,980	26,438,140
Surplus:		
Capital surplus	38,916,064	35,372,899
Surplus from increase in equity in net assets of subsidiary banks - since December 31, 1934 (less stock dividends totaling \$47,043,292)	11,630,594	10,653,400
Earned surplus - since December 31, 1934	4,979,880	4,744,218
Total surplus	<u>55,526,538</u>	<u>50,770,517</u>
	<u>\$83,078,492</u>	<u>\$77,239,519</u>

Note: In January 1966 authorized shares were increased from 1,600,000 to 4,800,000, par value per share reduced from \$20 to \$6.66-2/3 and the outstanding stock split 3 for 1. In November 1966 a 4% stock dividend was declared. After adjustment for the stock split and stock dividend outstanding shares totaled 4,124,349 at January 1, 1966 and 4,125,597 at December 31, 1966.

PRICE WATERHOUSE & CO.

100 East Broad Street
Columbus 43215
January 13, 1967

To the Board of Directors of
BancOhio Corporation

We have examined the balance sheet of BancOhio Corporation (parent company only) as of December 31, 1966 and the related statement of income and surplus for the year. We have not examined the financial statements of the subsidiary banks, the investments in which are stated in the balance sheet of BancOhio Corporation on the basis of its equity in the banks' net assets as shown by their financial statements. In all other respects, our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Inasmuch as the financial statements of the subsidiary banks were not examined by us, we are not in a position to express an opinion on the December 31, 1966 financial statements of BancOhio Corporation (parent company) taken as a whole. However, except for the amount carried for the investments in the subsidiary banks and the surplus account resulting from the basis used for expressing the amount of the investments, it is our opinion that the accompanying balance sheet and statement of income and surplus of the parent company—BancOhio Corporation—present fairly its financial position at December 31, 1966 and the results of its operations for the year then ended in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Price Waterhouse & Co.

BancOhio
Corporation
(Parent
company
only)

**STATEMENT
OF INCOME
AND
SURPLUS**

	Year ended December 31,	
	1966	1965
Income:		
Dividends from subsidiary banks	\$ 3,270,410	\$ 3,326,697
Interest	164,483	118,113
	<u>3,434,893</u>	<u>3,444,810</u>
Expenses:		
Salaries, sundry taxes and other operating expenses	765,229	787,965
Less - service charges to subsidiary banks	642,185	662,585
	<u>123,044</u>	<u>125,380</u>
Income before federal income taxes	3,311,849	3,319,430
Federal income taxes	22,000	5,600
Net income for the year	<u>3,289,849</u>	<u>3,313,830</u>
Cash dividends paid - \$.74 a share in 1966 and \$.66 in 1965	3,054,187	2,695,928
	235,662	617,902
Earned surplus at beginning of year	4,744,218	4,126,316
Earned surplus at end of year	<u>\$ 4,979,880</u>	<u>\$ 4,744,218</u>
Surplus from increase since December 31, 1934 in equity in net assets of subsidiary banks (less stock dividends totaling \$47,043,292):		
Balance at beginning of year	\$10,653,400	\$ 6,344,695
Increase in equity in net assets during the year	5,530,065	4,269,927
Stock dividend declared - 158,676 shares at \$28.85 a share, approximate market value at date of declaration	(4,577,803)	
Other adjustments	24,932	38,778
Balance at end of year	<u>\$11,630,594</u>	<u>\$10,653,400</u>
Capital surplus:		
Balance at beginning of year	\$35,372,899	\$34,106,525
Excess of market value over par value of BancOhio capital stock issued as stock dividends	3,519,963	
Excess of Corporation's share of equity in net assets of new banks acquired over par value of BancOhio capital stock issued therefor		1,266,374
Other adjustments	23,202	
Balance at end of year	<u>\$38,916,064</u>	<u>\$35,372,899</u>

The
BancOhio
Banks

**ASSETS,
DEPOSITS
AND
CAPITAL
FUNDS**

**COMBINED
AT
DECEMBER 31, 1966**

NATIONAL BANKS:

	Assets (Note)	Deposits (Note)	Capital Funds	Number of Banking Offices
The Ohio National Bank of Columbus	\$ 648,589,524	\$566,547,106	\$48,943,114	25
The First National Bank of Cadiz	10,899,546	9,536,876	738,261	1
The First National Bank of Chillicothe	27,536,990	24,757,241	1,898,078	3
The Second National Bank of Circleville	8,115,921	7,050,418	608,657	1
First National Bank of Coshocton	28,267,965	25,684,613	1,852,770	2
The First National Bank of Delaware	24,117,295	21,780,977	1,659,897	4
The First National Bank of Jackson	19,784,025	17,777,421	1,642,556	1
The Hocking Valley National Bank of Lancaster	13,576,166	11,805,805	1,115,605	2
The First National Bank of London	11,321,152	9,998,850	901,517	1
The First National Bank of Marysville	13,809,132	12,321,974	993,780	1
The First National Bank of Newark	34,730,662	29,600,376	2,512,976	4
The National Bank of Portsmouth	20,661,519	18,130,417	1,283,172	3
The First National Bank of Springfield	64,424,625	55,497,150	3,975,591	4
First National Bank of Tiffin	14,638,750	12,887,688	1,032,261	2
The First National Bank of Washington Court House	15,105,907	13,357,949	985,214	2
The First National Bank of Wilmington	10,607,574	9,335,188	759,107	2
The Citizens National Bank in Zanesville	29,257,024	25,859,159	2,212,018	3

STATE BANKS:

The Ohio State Bank Columbus	39,089,889	35,716,031	2,921,056	10
The Kenton Savings Bank Kenton	9,830,905	9,080,753	570,919	3
The Farmers and Merchants Bank of Logan	15,151,059	12,928,446	1,215,550	1
The Knox County Savings Bank Mt. Vernon	13,559,399	11,517,020	1,275,969	2
The Perry County Bank New Lexington	5,264,483	4,722,644	372,760	1
The Worthington Savings Bank Worthington	30,370,310	27,031,619	1,741,517	3
	<u>\$1,108,709,822</u>	<u>\$972,925,721</u>	<u>\$81,212,345</u>	<u>81</u>

NOTE: Includes interbank deposits of approximately \$3,050,000. Reserves for possible future loan losses and other valuation reserves have been deducted from total assets.

**ANALYSIS
OF RESERVES
FOR LOAN
LOSSES**

	Year ended December 31, 1966 1965	
Balance at beginning of year	\$10,237,275	\$ 8,750,903
Add:		
Reserve of acquired bank		79,509
Transfers to reserves	2,273,392	1,659,258
	<u>12,510,667</u>	<u>10,489,670</u>
Deduct:		
Losses charged to reserves	555,688	386,078
Less recoveries credited to reserves	179,447	133,683
Net losses	<u>376,241</u>	<u>252,395</u>
Balance at end of year*	<u>\$12,134,426</u>	<u>\$10,237,275</u>

* Includes \$11,107,995 (1965 - \$9,169,836) deducted under the reserve method of accounting for bad debts.

BancOhio
Corporation
and
Affiliated
Banks

**CONSOLIDATED
 TEN YEAR
 FINANCIAL
 SUMMARY**

(In thousands of dollars
 except per share amounts)

Income Statement And Dividends

Year	Gross Operating Income	Operating Expenses	Income Taxes On Operating Income	Minority Interest In Operating Income
1966	\$47,919	33,504	4,204	146
1965	41,155	28,721	3,919	110
1964	37,610	23,883	5,213	117
1963	34,991	21,941	5,207	131
1962	32,888	19,929	5,310	130
1961	29,703	18,260	4,800	121
1960	28,748	16,691	5,261	119
1959	25,130	14,667	4,546	105
1958	21,790	13,040	3,748	97
1957	20,698	12,297	3,738	90

Balance Sheet

Year	Loans ⁽³⁾	U.S. Treasury Securities ⁽³⁾	State and Municipal Securities	Other Securities
1966	\$576,754	124,590	188,626	38,680
1965	509,284	134,461	166,042	29,040
1964	421,702	143,691	128,620	27,007
1963	389,793	167,379	112,448	40,816
1962	350,275	196,581	95,497	36,430
1961	319,093	202,700	89,154	31,564
1960	295,616	186,776	72,556	30,293
1959	258,984	202,952	77,092	17,337
1958	220,406	250,845	70,914	11,121
1957	198,592	225,548	67,149	12,594

Net Operating Income ⁽¹⁾			Net Income ⁽¹⁾		Cash Dividends	
Amount	Per Share ⁽²⁾	Nonoperating Additions or (Deductions)	Amount	Per Share ⁽²⁾	Amount	Per Share ⁽²⁾
10,065	2.44	(1,245)	8,820	2.14	3,054	.74
8,405	2.07	(821)	7,584	1.87	2,696	.66
8,397	2.07	(512)	7,885	1.94	2,452	.61
7,712	1.90	(392)	7,320	1.81	2,335	.58
7,519	1.85	(311)	7,208	1.78	2,203	.54
6,522	1.61	325	6,847	1.69	2,098	.52
6,677	1.65	(529)	6,148	1.52	1,732	.43
5,812	1.43	(490)	5,322	1.31	1,601	.40
4,905	1.23	(419)	4,486	1.12	1,482	.37
4,573	1.14	(627)	3,946	.99	1,420	.36

Total Assets ⁽³⁾	Capital and Surplus				Capital, Surplus and Loan Reserves	
	Deposits	Amount	Per Share ⁽²⁾	Loan Reserves	Amount	Per Share ⁽²⁾
1,108,552	969,745	83,031	20.13	12,134	95,165	23.07
1,012,383	896,935	77,209	18.72	10,237	87,446	21.20
899,904	804,058	70,569	17.40	8,751	79,320	19.56
851,138	760,953	65,066	16.05	8,110	73,176	18.05
840,521	751,514	60,012	14.80	7,445	67,457	16.64
802,105	721,512	54,997	13.57	6,851	61,848	15.26
734,641	657,999	50,247	12.39	6,754	57,001	14.06
712,252	655,765	45,763	11.30	5,914	51,677	12.76
697,270	644,882	41,934	10.36	5,266	47,200	11.66
653,926	605,558	38,435	9.61	4,296	42,731	10.69

(1) Prior to 1965, net income as listed above (except for \$259,000 nonrecurring credit excluded in 1961) was reported to shareholders as net operating income. Nonoperating additions and deductions include security profits or losses, transfers to reserves for possible future loan losses and other nonoperating items. Per share amounts based on average shares outstanding during year.

(2) All per share amounts are adjusted to reflect 3 for 1 stock split effective January 14, 1966 and the following stock dividends:

1957 - 4%	1962 - 6%
1958 - 7%	1963 - 5%
1959 - 5%	1964 - 6%
1960 - 6%	1966 - 4%
1961 - 5%	

(3) Net after deducting reserves.

BancOhio
Corporation
Officers
and
Directors

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Vice President

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JOHN W. WOLFE
Vice President

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JAMES W. McNAMEE
Vice President

GREENVILLE T. PACE
Vice President and Secretary

EDWARD A. HANF
Treasurer

JOHN L. BURGOON
Cashier and Assistant Secretary

ROBERT F. WEBER
Chief Examiner

JACK E. ALSPAUGH
Assistant Treasurer

EXECUTIVE OFFICES

51 North High Street
 Columbus, Ohio 43216

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Retired; former Vice President of the Corporation

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President of the Corporation

HENRY M. O'NEILL, Sr.
President of The Seven-Up Company of Columbus

LELAND A. STONER
President of The Ohio National Bank of Columbus

EDGAR T. WOLFE, Jr.
Vice President of The Dispatch Printing Company

JOHN W. WOLFE
Vice President of the Corporation

PRESTON WOLFE
President of The Dispatch Printing Company

TRANSFER AGENT

The Ohio National Bank of Columbus
 51 North High Street
 Columbus, Ohio 43216

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Banks

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